and very dull. Capital can only be created by saving.

Saving is such an entirely unpopular virtue that it seems at first sight a disastrous conclusion to arrive at, that if we want to increase the supply of capital it can only be done by stimulating this unattractive habit: and there is a further question to be asked—whether it will be necessary or desirable to have a great increase in the supply of capital. As was pointed out above, one theory of after-war needs maintains that the world will be so exhausted by this great struggle that it will have no enterprise and no energy left, and that capital will go begging. If this be so, we need not trouble to inquire as to whether the supply of capital can be made plentiful. But I venture to think that this view is very probably wrong, though it is very dangerous to prophesy con-cerning the purely psychological question of the state of mind in which the citizens of the warring Powers will end the war. It is, however, at least probable that the prices which are then likely to rule will stimulate enterprise all over the world; that every one will see that there is a great work to be done in getting industry back on to a peace basis, and a great profit to be made by those who do this work most successfully, and that the demand for capital is likely, for some years at least, to clamour

for all that can be produced.

To go back, then, to the statement that only by saving can capital be created. The man who saves, instead of spending money on his own enjoyment, hands it over to some company or Government to be